

SENATE BILL 3929

By Burchett

AN ACT to amend Tennessee Code Annotated, Title 67,  
Chapter 4, Part 10, relative to tobacco.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. SECTION 1. Tennessee Code Annotated, Title 67, Chapter 4, Part 10, is amended by adding the following language as a new section to be designated as follows:

Section 67-4-1031.

(a) As used in this section, “non-participating manufacturer” has the same meaning as ascribed in § 67-4-2601(6).

(b)

(1) As used in this section, “cigarette” means any product that contains nicotine, is intended to be burned or heated under ordinary conditions of use, and consists of or contains:

(A) Any roll of tobacco wrapped in paper or in any substance not containing tobacco;

(B) Tobacco, in any form, that is functional in the product, which, because of its appearance, the type of tobacco used in the filler, or its packaging and labeling, is likely to be offered to, or purchased by, consumers as a cigarette; or

(C) Any roll of tobacco wrapped in any substance containing tobacco which, because of its appearance, the type of tobacco used in the filler, or its packaging and labeling, is likely to be offered to, or purchased by, consumers as a cigarette described in subdivision (b)(1)(A).

(2) "Cigarette" includes "roll-your-own" (i.e., any tobacco which, because of its appearance, type, packaging, or labeling is suitable for use and likely to be offered to, or purchased by, consumers as tobacco for making cigarettes). For the purposes of this subsection (b), nine one hundredth ounces (0.09 oz.) of "roll-your-own" tobacco constitutes one (1) individual cigarette.

(c) "Bond" means an irrevocable bond executed by a corporate surety company licensed to do business as such in this state, such bond to guarantee the payment of any final judgment which might thereafter be rendered against the bonded party up to and including the total amount of the bond.

(d) All non-participating manufacturers selling cigarettes in Tennessee shall make escrow payments required by Section 47-31-103 in quarterly installments. All non-participating manufacturers selling cigarettes in Tennessee shall by the end of every third month certify to the department of revenue their compliance with the Tennessee Tobacco Manufacturers' Escrow Fund Act of 1999, compiled in title 47, chapter 31.

(e) All wholesalers, jobbers, stampers, and any other person or entity selling non-participating manufacturers' cigarettes for retail sale shall report monthly to the department of revenue a report of all cigarette sales. Such reports shall include categories of tobacco products that were sold, including stamped and unstamped cigarette sales, wholesaler to wholesaler sales, and wholesaler to retailer sales. Copies of the corresponding invoices to such sales shall accompany such reports.

(f) Each manufacturer or importer who sells cigarettes in this state shall provide a bond to the department of revenue for one hundred thousand dollars (\$100,000) for any taxes that may be due on the sale of such cigarettes.

SECTION 2. This act shall take effect January 1, 2009, the public welfare requiring it.